Conference Call
3rd quarter 2022/23

11 January 2023
Dr Stephan Meeder, CEO/CFO
Highlights

• Politics
  • Climate protection in the EU
  • CO₂ targets for cars

• Market development
  • Volumes & prices

• Financials 1st - 3rd quarter 2022/23
  • 3rd quarter on previous year’s level
  • Outlook for FY 2022/23 substantiated

• Strategy
  • Biobased chemicals: update on renewable ethyl acetate
Politics
More climate protection for Europe

Review of “Renewable Energy Directive“ moves forward with delay


• COM proposal:
  • GHG reduction of 13% by 2030 (to replace energy quota of 14%)
  • Crop-based biofuels: share 2020 + 1% within 7% limit (unchanged)
  • Advanced biofuels at least 2.2% and synthetic fuels at least 2.6% in 2030

• Council’s general approach (27 June 2022) largely aligned with Commission’s proposal
• European Parliament (12 September 2022) calls for higher GHG quota of 16%
• Trilog of Parliament, Council and Commission delayed into 2023 despite intensive discussions from October to December – file handed over to Swedish Presidency

Our key messages towards co-legislators

• Support a higher ambition in transport including a GHG reduction target of 16%
• Maintain the contribution of crop-based biofuels as solid foundation for less GHG emissions in transport
• More level-playing field in transport by removing artificial multipliers for certain biofuels and electricity
EU: New CO₂ targets for cars

Agreement on ban of new vehicles with combustion engines

Co-legislators have reached a final political agreement on 27 October 2022

European Parliament and Council agrees on increased CO₂ emission targets

- -55% for cars and -50% for vans by 2030 compared to 2021 levels
- -100% for cars and vans by 2035, i.e., ban of the internal combustion engine
- COM will develop a methodology assessing the full life-cycle CO₂ emissions of new vehicles until end of 2025
- Recital 9a: leaving the possibility for the EC to make a proposal for registering vehicles running exclusively on CO₂-neutral fuels after 2035

Assessment

- Clear violation of the principle of technology openness and neutrality
- Only tailpipe emissions are taken into account – life cycle emissions of vehicles without local emissions e.g., BEVs, are completely ignored
- Development of life-cycle methodology positive, but application to remain voluntary
Market development
Market development

Volumes

Ethanol market in the EU27 & UK in 2022 (in million m³)
• Consumption: 9.5 +5% (6.6 fuel | 2.9 non-fuel)
• Production: 7.7 -1% (5.4 fuel | 2.3 non-fuel)
• Fuel ethanol sales expected to remain stable in 2023
• E10 No. 1 petrol in many European countries
  • Sales growth in particular in France, Sweden, and UK
  • E10 sales in Germany also increasing
• Non-fuel ethanol expected to remain stable as well

Sharp increase of imports to Europe in 2022
• Large price difference makes imports to Europe attractive
• Brazilian exports (Apr-Nov) increased by 635% to 482,000 m³
• Total: 2.3 Mm³ in 2022 vs. 1.1 Mm³ in 2021
  • Increase by more than 100%

Source: IHS Markit (2022)

Source: NYMEX, CEPEA/ESALQ
Market development

Ethanol prices and feedstock market

European ethanol price* dropped in course of third quarter

- Average ethanol price € 882 (1,019) /m³
- Recent drop in prices due to soaring import pressure

Feedstock market 2022/23

- Grain prices in third quarter**: € 337 (272) /t
- EU grain harvest: 268 (293) Mt exceeds consumption of 256 (260) Mt
- IGC expects slight decline in 2022/23 with 2,255 Mt
- Grain prices gradually return to pre-war level

* Ethanol T2 FOB Rdam  ** Wheat (Euronext Paris), next date of expiry

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Market development

Energy markets

Gas price quotations drop below high pre-war level
- First floating LNG terminal to supply Germany opened in December 2022 – further floating LNG terminals announced
- LNG imports to Europe at high level
- Gas storage level in Germany at about 90% – challenges expected to replenish storage for winter 2023/24
- Spot prices dropped since mid of December most likely due to unusual warm temperatures and lower demand during Christmas season
- Storages all over Europe remain at high filling grades
Financials
Overview 9 M 2022/23

- Ethanol production: 811 (778) ,000 m³ + 4%
- Revenues: € 1.177 (781) million + 51%
- EBITDA: € 267.4 (125.4) million + € 142 million
- Operating profit: € 235.4 (94.3) million + € 141 million
- Net earnings: € 180.4 (60.0) million + € 120 million
- Net financial assets (vs. 28/02/2022): € 366.1 (229.9) million + € 136 million

Note: Figures in parentheses relate to the corresponding prior-year period.
### Overview 3rd quarter 2022/23

- **Ethanol production**: 228 (258),000 m³ - 12%
- **Revenues**: € 328.1 (317.7) million + 3%
- **EBITDA**: € 66.4 (66.3) million + € 0.1 million
- **Operating profit**: € 55.7 (55.9) million - € 0.2 million
- **Net earnings**: € 44.7 (35.2) million + € 9.5 million

Note: Figures in parentheses relate to the corresponding prior-year period
Operating profit 3\textsuperscript{rd} quarter

<table>
<thead>
<tr>
<th>(in € million)</th>
<th>Q3 2022/23</th>
<th>Q3 2021/22</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>328.1</td>
<td>317.7</td>
<td>+ 3%</td>
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<tr>
<td>Overall performance</td>
<td>319.3</td>
<td>312.5</td>
<td>+ 2%</td>
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<tr>
<td>Cost of materials*</td>
<td>-234.8</td>
<td>-221.7</td>
<td>- 6%</td>
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<tr>
<td>Spread (gross)</td>
<td>84.5</td>
<td>90.8</td>
<td>- 7%</td>
</tr>
<tr>
<td>in % of overall performance</td>
<td>26.5%</td>
<td>29.0%</td>
<td>-</td>
</tr>
<tr>
<td>Further operating expenses/income*</td>
<td>-18.1</td>
<td>-24.5</td>
<td>+ 26%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>66.4</td>
<td>66.3</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Depreciation*</td>
<td>-10.7</td>
<td>-10.4</td>
<td>- 3%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>55.7</td>
<td>55.9</td>
<td>- 0%</td>
</tr>
<tr>
<td>Margin</td>
<td>17.0%</td>
<td>17.6%</td>
<td>-</td>
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</table>

*without restructuring costs and special items

- High sales prices esp. for ethanol more than offset declining sales quantities
- Price increase on raw material markets now increasingly affects cost of materials
Net earnings

- Unrealised currency effects positively and increased interest income affect financial result
- Tax rate decreases to 24 (35)%
- EPS increase significantly to € 2.07 (0.69)
### Cash flow

<table>
<thead>
<tr>
<th>(in € million)</th>
<th>9 M 2022/23</th>
<th>9 M 2021/22</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow</td>
<td>208.2</td>
<td>93.0</td>
<td>+ 115.2</td>
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<tr>
<td>Change in net working capital</td>
<td>1.8</td>
<td>38.1</td>
<td>- 36.3</td>
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<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>210.0</td>
<td>131.1</td>
<td>+ 78.9</td>
</tr>
<tr>
<td>Investments in property, plant et al.</td>
<td>-29.7</td>
<td>-14.9</td>
<td>- 14.1</td>
</tr>
<tr>
<td>Investments in financial assets</td>
<td>-2.7</td>
<td>0.0</td>
<td>- 2.7</td>
</tr>
<tr>
<td>Increase (-) / Decrease (+) in financial receivables</td>
<td>84.2</td>
<td>-73.3</td>
<td>+ 157.5</td>
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<tr>
<td>Payments into current financial investments</td>
<td>-34.9</td>
<td>0.0</td>
<td>- 34.9</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>16.8</td>
<td>-88.2</td>
<td>+ 105.0</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>-43.3</td>
<td>-31.0</td>
<td>- 12.3</td>
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<tr>
<td>Changes in exchange rates / consolidation basis</td>
<td>-0.2</td>
<td>0.1</td>
<td>- 0.3</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong></td>
<td>183.4</td>
<td>12.0</td>
<td>+ 171.4</td>
</tr>
<tr>
<td><strong>Net financial assets</strong></td>
<td>366.1</td>
<td>236.9</td>
<td>+ 129.2</td>
</tr>
</tbody>
</table>

- Significant increase in net financial assets
Outlook 2022/23

Outlook from 11 August 2022 substantiated

• Assumptions
  - Continued normalised mobility behaviour
  - Effects of the Ukraine war difficult to assess
  - Sufficient energy and raw materials will be available for the production
  - Further availability and price development on the energy markets are difficult to predict at the current time and against the background of political developments

• Revenues between € 1.47 to € 1.57 (previously expected: € 1.45 to € 1.55; previous year: € 1.08) billion
• EBITDA in a range of € 265 to € 295 (previously expected: € 255 to € 305; previous year: € 169) million
• Operating profit between € 225 and € 255 (previously expected: € 215 to € 265; previous year: € 127) million

• Pressure on earnings increases due to continuously high energy and raw material costs with at the same time declining prices for ethanol
Strategy
Innovation from biomass

Update: renewable ethyl acetate

- CropEnergies gives green light for a new plant for the production of renewable ethyl acetate based on Johnson Matthey technology
- Foundation stone of new biobased chemicals business
  - Investment for production facility between € 120-130 million targeting ROCE of at least 15%
  - Climate neutral production of 50,000 tonnes per year
  - Located in Zeitz Chemical and Industrial Park (Germany) creating approx. 50 jobs for highly skilled employees
  - Groundbreaking to take place early in 2024 and commissioning scheduled for summer 2025
- Renewable ethyl acetate reduces the fossil carbon footprint of a wide range of everyday products
- Renewable hydrogen (H₂) as a co-product – with biogenic CO₂ as basis for further PtX downstream routes (e.g. eFuels)
CropEnergies

We deliver green carbons

For our future:
Sustainability and climate neutrality

• in its traditional core business of mobility - with sustainable and climate-friendly fuels

• in a completely new business area based on ethanol derivatives as an alternative to fossil raw materials

• with biogenic CO₂ as the raw material of the future and as capital for the company’s further development

• to serve a clear growth market with protein products for the food and animal feed industry and to deepen the value chain

• in a new business area for green electricity and green hydrogen
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± 1% - stable
± 1 – 4% - slight
± 4 – 10% - moderate
> ± 10% - significant